

CHESTERFIELD COUNTY

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April 9, 2003

LANE B. RAMSEY
COUNTY ADMINISTRATOR

The Honorable Members of the Board of Supervisors
County of Chesterfield
Chesterfield, Virginia 23832

Dear Members of the Board:

I am pleased to submit to you and to the citizens of Chesterfield County the Capital Improvement Program for fiscal years 2004-2010. This Program serves as a planning tool for the efficient, effective, and equitable distribution of public improvements throughout the county. It advances priorities established in recent years, and lays the ground work for a future referendum. The Program represents a balance between finite resources and an ever-increasing number of competing county priorities. This balance was achieved using the priorities and objectives established by the Board of Supervisors and is consistent with the county's Strategic Plan.

The county continues to benefit financially from a credit rating of AAA on outstanding general obligation bonds from each of the three major rating agencies. This is the highest possible rating, and Chesterfield is one of less than twenty county governments nationwide to be so designated. The county will realize lower interest rates on debt issued with this rating.

The Board of Supervisors and the School Board have agreed to plan for a bond referendum in the Fall of 2004. As such, I have directed staff to prepare a seven (7) year capital improvement program to allow the Board an opportunity to identify potential projects in the FY2005 – FY2010 planning period that could be placed on the referendum.

This seven year Capital Improvement Program totals \$709,982,100, and is comprised of county improvements of \$244,333,600, School Board improvements of \$318,818,500, and Utilities Department improvements of \$146,830,000.

The latest economic indicators suggest that the current recovery continues to be weak. There remains the possibility of a relapse into recession. Therefore, I want to ensure that the county remains in a position to adequately address its commitments. In developing the FY2004-FY2010 Capital Improvement Program, we have endeavored, where possible to maintain consistency in project funding levels and schedules from the Adopted FY2003-FY2008 CIP. However, due to ongoing concerns regarding the economy, I have proposed that some projects be delayed. The projects detailed in this document will enable us to address critical capital facility demands yet adhere to our established financial management policies.

Highlights of the Adopted FY2004-2010 CIP compared to the Adopted FY2003-2008 CIP are as follows:

Administration of Justice

Changes:

- Includes funding in FY2009/2010 for design/construction of Phase II expansion of the Group Home
- Delays funding for Circuit Court/General District Courthouse Improvements by two years

General Services

New Projects:

- Feasibility Study for Vehicle & Communications Maintenance Facilities
- Renovations of Rose Building, Parks and Recreation Administration Building, and Extension Services Building in FY2009 and FY2010

Changes:

- Increases funding to complete renovations to Five Story Administration Building
- Deletes funding for final phase of County Complex Road Project

Health and Social Services

Changes:

- Delay in funding schedule (from FY2005/07 to FY2006/08) for design and construction of Wagner Building Expansion

Libraries

New Projects:

- Provides funding in 2005 and 2008 for Library Technology Upgrades
- Provides "Challenge Grant" dollars for the Chester Library Community Arts Center to be used as 50% matching funds for resources raised from non-county sources

Changes:

- Increases total project funding for Meadowdale Library Expansion (for interim site and materials)
- Significant increase in funding for Reams Gordon Branch Library
- Delay in funding for Ettrick-Matoaca Branch Expansion/Renovation; however, total project funding has been increased
- Significant decrease in funding for Central Library Finish Out; Libraries wishes to postpone design/construction work until Feasibility Study is completed in 2010

Parks and Recreation

New Projects:

- “Challenge Grant” funds are included for Henricus Historical Park, Eppington Plantation and Falling Creek Ironworks Park; these funds are intended to be utilized as a match for resources raised from non-county sources
- Includes funding in FY2010 for Cogbill Road Community Park Master Plan
- Funding is included for Brown & Williamson Conservation Area, Magnolia Green Community Park and Spring Run Neighborhood Athletic Park

Changes:

- Includes additional funding for development of 360 West Area Park (2009, 2010)
- Delay in funding schedule for Mid-Lothian Coal Mines Park; project scope does not change
- Includes grant funding for environmental education center at Dutch Gap Conservation Area
- Increase in grant funding for Lowes Soccer Complex (road access and parking)
- Decrease in funding for Rockwood Park Improvements (expansion of the Nature Center originally planned in 2007 will be completed in FY2003 using park improvement funds)
- Increases funding for Matoaca Park Phase III Expansion

Public Safety

New Projects:

- Funding is included for replacement of the E-911 telephone system
- Funding is included for mobile data computers for the Sheriff’s Office in 2004

Changes:

- Significant increase in funding for Emergency Systems Integration Project
- Significant increase in total project funding for Public Safety Training Center at Enon
- The Route 60/288 Fire Station project has been renamed Otterdale/Duval Fire Station; funding for design and construction is included in 2009/2010 (site acquisition for Route 60/288 Station was funded in FY2003-2008 CIP)
- Decrease in funding for Thermal Imaging Systems due to improved pricing/competition
- Increases total project funding for 360 West Area District Station (formerly Hull Street District Station), but delays funding for construction by one year
- Decrease in funding for Ashton Creek/Walthall Fire Station due to revised construction estimates
- Increase in funding for the Riverside Regional Jail in anticipation of future expansion

Regional

Changes:

- Includes increased funding for the Diamond

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The projects in this Program have been reviewed for consistency with the Adopted Comprehensive Plan and the Public Facilities Plan, a form of "needs assessment" which precedes the preparation of the county's Capital Improvement Program. The Public Facilities Plan is an element of the county's Comprehensive Plan.

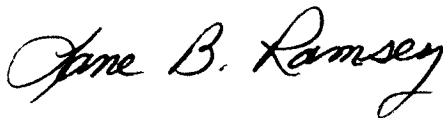
In addition, the Board of Supervisors' debt ratio and financial management policies provided guidance for the development of this Capital Improvement Program. Adherence to these policies allows the county to plan for the necessary financing of capital projects while maintaining its creditworthiness.

The most critical ratio for the county, and the ratio which primarily guided the establishment of planned debt issuance for Fiscal Years 2004-2010, is the ratio of debt service as a percentage of general government expenditures. At June 30, 2002, this ratio was 8.7%. While the county's target is to maintain this ratio below 10.0%, this Program was developed to attain a debt ratio closer to 8.5%.

This Program represents a continued decreased reliance on long-term financing for general county improvement projects. Further, in keeping with the Board of Supervisors' financial policy regarding funding a portion of capital improvements with current revenues, this Program exceeds the targeted current revenue funding levels for both general county and school projects. The county has a goal of funding 20% of the general county projects and 10% of the school projects with current revenues. This Program proposes current revenue funding levels of 46.4% for the county projects and 26.2% for school projects over the seven year period.

In summary, this Capital Improvement Program begins the process of planning for a referendum in the Fall of 2004. The Program sustains the county's strong financial position, proposes affordable service enhancements, including an emphasis on aging facilities, and presents to the citizens of Chesterfield County the broad range of capital facilities required of a FIRST CHOICE community.

Sincerely,

A handwritten signature in cursive script, reading "Lane B. Ramsey". The signature is written in dark ink and is positioned above the printed name and title.

Lane B. Ramsey
County Administrator